

4 Housing and Residential Character

GOALS	OBJECTIVES	POLICIES
Maintain the primarily single-family character of Wellesley's housing stock.	Preserve existing character on single-family neighborhood streets.	Focus any additional multifamily housing in commercial areas or on arterial roads.
Maintain the physical form of Wellesley's residential neighborhoods by balancing community standards with individual interests.	Define neighborhood character through a set of neighborhood character studies in collaboration with residents to identify the distinctive physical characteristics of each neighborhood.	Explore new ways to maintain neighborhood character such as Neighborhood Conservation Districts, form-based zoning, advisory design guidelines, zoning changes, and other options ranging from advisory to regulatory.
Promote the creation of housing units other than single-family homes to provide housing options for people across a range of income, age, family size and needs while complementing town character.	Work towards creating town house, condominium, and rental units in commercial districts and other appropriate locations.	Encourage developers to create mixed-use projects and residential projects that diversify the housing stock in Wellesley and provide residential options for older, empty-nester and young family households.
Promote the creation of housing units permanently affordable to households with incomes at 80 percent or below the area median income.	Adopt a plan with numerical targets to meet the Chapter 40B goal of ten percent affordable units.	Support the Wellesley Housing Development Corporation and seek developers who will develop mixed-income housing that meets the Town's needs and complements town character.



Findings

- Wellesley is a mature residential community with relatively little open land available for development.
- Wellesley has a large number of small households in large homes: 53 percent of households have one or two people and 51 percent of homes have eight or more rooms.
- Most new housing units are created through redevelopment of previously developed sites.
- Replacement houses are 2.5 to 3 times bigger on average than the “teardowns” they replace.
- The median price of a single-family house has increased almost 75 percent in the last five years.

- A limited number of permanently-affordable housing units have been created since the Town first adopted an affordable housing policy in 1989.
- The Town needs to add approximately 500 deed-restricted affordable housing units in order to meet the state affordable housing goal of ten percent of year-round housing.

Key Challenges

- Efforts to manage the mansionization trend have not been successful and there is resistance to establishing more dimensional constraints on building.
- Achieving more diversified housing types and more affordable housing will require active leadership and commitment from the Town.



HOUSING FACTS—HOW DO WE LIVE?

Total Number of Housing Units (2000): 8,861

- 74.7 percent single-family owner-occupied homes
- 5.1 percent of units in buildings with 2-4 units
- Over 92 percent of residential land is occupied by single-family housing.

Housing Construction Trends

- Annual average of 34 new single-family homes, 1996-2003
- 201 demolitions from 1999 to September 2004 and 189 replacement houses

Age of Housing

- 76.5 percent of the residential buildings were built before 1960
- 15.9 percent were built between 1960 and 1979
- 7.3 percent were built between 1980 and March 2000

Length of Time in Current Residence (2000)

- 59 percent of the population lived in the same house in 1995 as in 2000, the same as in the 1985-2000 period
- 41 percent lived in a different house in 1995 (and a quarter of them lived in Norfolk County - some possibly in Wellesley)

Ownership and Rental Housing (2000)

- 83.1 percent of housing units are owner-occupied
- 16.9 percent of housing units are renter-occupied

Affordability

- 2003 median single-family home sales price: \$750,000
- 2003 maximum home price affordable to a Wellesley median income household: \$593,007
- 2003 maximum home price affordable to first-time homebuyer: \$397,470
- 2000 median gross monthly rent: \$1,063
- 20.9 percent of owners pay more than 30 percent of their monthly income for housing
- 23.6 percent of renters pay more than 30 percent of their monthly income for housing
- As of March 2004, 4.6 percent of housing units are considered affordable by the state for the purposes of Chapter 40B, the Comprehensive Permit Law

Note: Students living in dormitories are not included in data about housing units

WHAT DOES IT MEAN?

- Most Wellesley residents are homeowners and live in single-family houses.
- Fewer than 17 percent are renters.
- Approximately two out of five town residents have moved to Wellesley within the last five years.

Housing is very expensive:

- Median housing sales prices for single-family homes increased 18.3 percent (adjusted for inflation) between 2000 and 2003.

Fewer new housing units are being created than in previous years:

- Annual construction of new housing units has declined from an average of 69 in the 1970s to 36 in 2002.

MEDIAN HOUSING SALES PRICES

YEAR	I-FAMILY \$	CONDO \$
2003	750,000	448,750
2002	721,250	445,000
2001	699,000	507,000
2000	589,000	390,000
1999	517,500	335,000
1998	462,000	375,000
1997	435,000	330,000
1996	390,000	272,500
1995	385,000	300,000
1994	365,000	264,750
1993	327,000	255,000
1992	310,000	210,000
1991	285,000	162,500
1990	311,000	245,000

Source: The Warren Group

Sources: Census 2000; Warren Group; MAPC; Greater Boston Housing Report Card 2004

A. CURRENT CONDITIONS

The fundamentally residential character of Wellesley has been established for many decades and is not anticipated to change. The town's housing is composed predominantly of single-family homes that are owner-occupied, well-maintained, and expensive. Of Wellesley's 10.49 square miles, 69 percent is zoned residential, and of that total, over 92 percent of the land is occupied by single-family homes. While the number of housing units grew substantially between 1940 and 1960, the rate of new housing creation has declined in every decade since. By the time of the 2000 census, the town's 8,861 housing units (of which 72 are seasonal units) represented an increase of only 97, or just over one percent more units than in 1990. Although the town continues to add new housing units even as its population has stabilized, by any measure, Wellesley is a very slow-growing community.

WELLESLEY HOUSING UNITS

YEAR	HOUSING UNITS	% CHANGE
1940	3,905	--
1950	5,199	33.1
1960	6,930	33.3
1970	7,785	12.3
1980	8,389	7.8
1990	8,764	4.4
2000	8,861	1.0

Source: US Census

This does not mean that Wellesley has no housing issues. As a community becomes more built out, residents in established neighborhoods often become more sensitive to the impact of new construction on the few remaining open parcels or subdividable parcels and to the impact of the replacement of older houses by new, larger houses. In a climate of very high housing prices, the renovation of the housing stock has had the effect of reducing income diversity because there are fewer smaller houses left and their prices reflect their value as "teardowns" rather than as less-expensive housing.

Changing population dynamics also pose some housing-related questions. Fifty-three percent of

all Wellesley households consist of just one or two people, yet 51 percent of the homes contain eight or more rooms. A similar trend is occurring in many suburban communities—it reflects the aging of the population—but Wellesley's disparity of small households in large homes is striking. A generational turnover of housing stock appears to have begun in Wellesley.

Number and Type of Housing Units

Data on the number and type of housing units are available from two sources, Census 2000 and the Town Assessor. The census data are estimated from a sample and the assessor does not provide full data on the number of units in multifamily structures because the primary focus of assessment is the property, not the number of units. Together, however, they provide a snapshot of housing in Wellesley. Three quarters of the nearly 8,900 Wellesley housing units enumerated in Census 2000 were single-family owner-occupied homes. A little over five percent, or 466, were in 2-4 unit structures.

Approximately eighty-five percent of Wellesley housing units are single-family homes, the vast majority of which are owner-occupied. There are 166 two- and three-family buildings, accounting for 353 housing units. If each of these buildings were owner-occupied, the two- and three-family buildings would account for 188 rental units. A

HOUSING STOCK

	STRUCTURES	UNITS
Single-family	7231	7231
Two-family	143	284
Three-family	23	69
4 to 8 unit buildings	18	*78-102
8+ unit buildings	16	455
Condominium units	34	372
		*8489-8513

* insufficient data on number of units in 4-8 unit bldgs

Source: 2004 Assessor's Data

small number of apartment buildings, including buildings with Housing Authority and subsidized units, contain approximately 450 rental apartments. Finally, there are 372 condominiums.

Housing Tenure

Based on the estimates above, there are fewer than 700 housing units in Wellesley that are consistently managed for rental income. This is less than half the number of renter-occupied units recorded in the 2000 census. Most of the additional units are single-family homes and condominiums whose owners have rented their homes while they are temporarily away.

HOUSING TENURE 2000 (OCCUPIED UNITS)

TENURE	NUMBER	PERCENT
Owner-occupied	7,140	83
Renter-occupied	1,454	17

Source: US Census 2000

Age of Housing

The well-established character of Wellesley's residential neighborhoods is evident in the age of the housing stock. Over three-quarters of Wellesley's residential buildings were built before 1960. Wellesley participated in the post-World War II suburban building boom, as over a third of Wellesley's housing was built in the twenty years between 1940 and 1959. From that peak period of housing construction, the number of new units created in each subsequent 20-year period has declined. About 16 percent of Wellesley's current housing was built between 1960 and 1979 and 7.6 percent between 1980 and March 2000. From an average of 69 new units in the 1970s, annual construction has declined to 36 in 2002, or an average of 34 new single-family homes in the period 1996-2003. More than two-thirds of the new housing units created during the 1990s replaced existing units. As noted earlier, between 1990 and 2000 there was a net increase of only 97 housing units in Wellesley.

AGE OF HOUSING STOCK: WELLESLEY AND NORFOLK COUNTY

YEAR BUILT	WELLESLEY (NUMBER)	WELLESLEY (PERCENT)	NORFOLK COUNTY (PERCENT)
1990-2000	318	3.7%	8.0%
1980-1989	335	3.9%	10.4%
1970-1979	677	7.9%	13.0%
1960-1969	688	8.0%	13.5%
1940-1959	2,989	34.8%	24.6%
1939 or before	3,587	41.7%	30.5%

Source: US Census

Residential Buildout Capacity

In 2000, the Executive Office of Environmental Affairs, through the Metropolitan Area Planning Commission, prepared a buildout study for Wellesley. A buildout study analyzes the amount of development that would be possible under existing zoning if every developable parcel in the town were to be built out under by-right zoning. The study found that there were 647 acres of developable land in Wellesley with the potential for 2,209 residential units. However, 1,759 of those "housing units" would be academic housing in the Educational zoning districts. The number of non-academic housing units is much smaller, 450 in total, of which only 218 would be single-family homes. The remainder would be apartments permitted in the Central Downtown district.

This exercise illustrates the extent to which Wellesley is nearing residential buildout. Of course, the analysis does not take into account potential Chapter 40B Comprehensive Permit projects, which can have more units than permitted by zoning. Communities rarely reach full buildout and there are always opportunities for redevelopment.



Wellesley's buildout data simply show that, absent significant ownership or zoning changes in the Education zoning district, the Town's residential construction activity will be focused on redevelopment and small infill projects for single-family homes and, potentially, town house, condo, or rental apartment development in mixed-use projects in commercial areas or locations where unusual redevelopment opportunities become available, such as the closing of St. James's Parish Church.

The Wellesley Planning Department has also prepared a different kind of buildout exercise which calculated the amount of land on which property owners could expand existing houses to the maximum lot coverage and setbacks allowed in zoning. This buildout was not aimed at estimating the number of housing units that could be built by right under current zoning, but rather at estimating the potential for additional impervious surfaces and change in private open spaces. The analysis showed that a total of 426 additional acres of land could theoretically be covered by buildings if every lot were built out to the maximum allowed coverage.

Residential Taxes

As residential real estate values have risen in recent years, the average real estate tax bill has

**AVERAGE SINGLE-FAMILY TAX BILLS
FOR WELLESLEY AND ITS NEIGHBORS
(FY 2004)**

COMMUNITY	AVERAGE SINGLE-FAMILY TAX BILL
Dover	\$8,412
Natick	\$4,108
Needham	\$5,202
Newton	\$6,831
Wellesley	\$7,320
Weston	\$11,238

Source: Massachusetts Department of Revenue

also been increasing. The Town's 2004 tax rate of \$8.56 produced an average single-family tax bill of \$7,320, making it the 11th highest in the Commonwealth, higher than most of its neighbors but similar to towns in its general income group such as Wayland and Brookline. Neighboring Weston ranked number one, at \$11,238.

B. TRENDS IN RESIDENTIAL DEVELOPMENT

Rate of Residential Development

CREATION OF NEW HOUSING

Because there is so little unbuilt land in Wellesley, most new housing results from redevelopment of existing lots and occasional, small subdivisions. While building permits for single-

family houses averaged 34 from 1996 to 2003, the number of permits has been rising in recent years. By September 2004, the Building Inspector reported a 15-year high: 95 units permitted, of which 42 were single-family homes (fewer than in 2003) and 52 were multifamily units produced under a Chapter 40B Comprehensive Permit. Over the course of the 1990s, there were eight subdivisions in Wellesley

with an average of four units each. With the exception of a four-unit subdivision on 24 acres of estate land that was accompanied by a conservation restriction, none of the subdivisions was on more than three acres of land.

RESIDENTIAL BUILDING PERMITS

YEAR	SINGLE FAMILY	MULTI- FAMILY (UNITS)
2003	59	0
2002	36	0
2001	48	0
2000	36	0
1999	20	0
1998	21	5
1997	24	0
1996	30	0
Average	34	0.6

Source: US Census Bureau





Many new housing units created in Wellesley result from redevelopment—more popularly known as “teardowns.” Smaller houses built in earlier decades—sound, but with functional and stylistic obsolescence—have become less valuable than the land they occupy and purchasers often want a bigger house. Both developers and individual purchasers participate in the teardown phenomenon. Between 1999 and September 2004, there were 201 demolitions (including several non-residential structures) with 189 replacement houses in Wellesley. As the map on the next page indicates, the demolitions were scattered throughout the town, with clusters in proximity to Hundreds Road and to Cliff Road. As of November 2004, based on completed permits as well as expected permit applications, the assessor's department expected at least 65 demolitions in 2004.

Replacement Houses and Community Character

Larger replacement houses typically take the place of demolished houses. A comparison of the average size of the old houses with the average size of the new houses in the 1990–2003 period shows that the new houses are two and a half to three times larger, on average, than the houses they replace. Of course, in individual cases, the new house may be many times larger than the old one, for example, a 6,207 square-foot house that replaced a 460 square-foot house in 2001.

INCREASE IN AVERAGE TOTAL LIVING AREA OF REPLACEMENT HOUSES (IN SF)

YEAR OF DEMO	OLD HOUSE	NEW HOUSE	MULTIPLIER
1999	1492	4591	3.1
2000	1887	4614	2.4
2001	1507	4978	3.3
2002	1650	4190	2.5
2003	1751	4253	2.4
2004*	1537	3982	2.6

*Sample of completed demolitions and replacements.

Source: Wellesley Assessors Dept.

DISTRIBUTION OF RESIDENTIAL DEMOLITIONS, 1999–2003

LOT SIZE	NUMBER OF DEMOLITIONS	% OF TOTAL
10,000 sf and under	6	5.1%
over 10,000 to 15,000 sf	39	33.3%
over 15,000 to 20,000 sf	18	15.4%
over 20,000 to 30,000 sf	31	26.5%
over 30,000 to 40,000 sf	11	9.4%
over 40,000 sf	12	10.3%
TOTAL	117	100.0%

Many Wellesley residents are concerned about the impact of teardowns and large replacement houses on the character of streets and neighbor-

hoods. Unlike communities where the majority of single-family homes are on lots of one acre or more, large houses in Wellesley can have an immediate visual impact in neighborhoods with smaller lot sizes and modest setback requirements. Older capes and ranches are the prime candidates for teardowns, and many are sited on smaller lots. An analysis of 117 residential demolitions in the 1999–2003



period shows that over a third of the demolitions occurred on lots smaller than 15,000 sf, where rear yard setbacks are 10 to 15 feet. All Wellesley lots have side yard setbacks of only 20 feet, regardless of the size of the lot. On larger lots these dimensions are mitigated by the fact that there are limitations on the amount of land that can be covered by buildings. Smaller lots allow proportionately more lot coverage. Smaller, older homes were built well within the setback minimums, so when new houses build up to the setback limits, they can give the appearance of noncompliance with zoning because they seem out of scale with neighboring houses.

This issue is a complex one, because if the process of demolition and replacement continues, it is the smaller, older homes that will increasingly seem out of character. What in one era is called “mansionization” may in another be seen as renovation of the housing stock through infill and redevelopment. Another aspect of this trend is its impact on income diversity in Wellesley. The disappearance of single-family homes of modest size and price means that the Town no longer has “starter houses” or homes for Town employees, craftsmen, and others who historically contributed to the community and could afford to live there. In many communities, condominiums have become entry-level housing, but Wellesley's few condominiums also have high prices.

(See Figure 4-I, Residential Demolitions 1999-2003.)

Cost of Housing

Housing prices in Wellesley, as in all of eastern Massachusetts, began to rise steeply in the late 1990s. Wellesley has been a sought-after, trade-up community for decades, but until about twenty years ago, there was a fairly good match



between family income of local residents and income required to purchase the typical, or median priced, home. Housing prices are continuing to rise in recent years: the price of a single-family home has increased 73 percent between 1999 and the fall of 2004.

Sales and prices of both single-family homes and condominiums are up over 2002 and 2003 levels. Generally, turnover averages a stable five percent per year in Wellesley. There were 114 single-family homes listed with the Municipal Listing Service (MLS) in November 2004, with a median asking price of \$1,345,000; the ten condominiums listed had a median asking price of \$699,900. Fifty percent of the single-family listings fell into the \$720,000–\$1,895,000 price range. Even at these high prices, inventory is moving. The average time to sell for the single-family homes was less than three months, but more than one third of the single-family properties listed with MLS at that time were on the market for six months or more. Several languished for over a year, suggesting that some sellers may be testing the market, but are not highly motivated. The least-expensive listing was a three-bedroom home for \$519,000.

There are relatively few rental properties in Wellesley. A search of www.realtor.com and discussions with real estate brokers identified 28 properties available for rent in December 2004. More than three quarters of these were single-

family homes; the balance was split among apartments, duplexes, and accessory apartments. The units ranged from a small one-bedroom apartment with an asking rent of \$1,000 per month to a six-bedroom home for \$10,000 per month. Fifty percent of the available units had asking rents in the \$2,000–\$3,000 per month range. Most did not include heat, an expense that would boost the effective rent.

AFFORDABILITY IMPLICATIONS

As elsewhere in the region, home prices in Wellesley have recently risen faster than incomes. Median household income in the town was estimated to be a comfortable \$127,000 in 2003.¹ To afford the median priced home sold that year—for \$751,000—would have required an income of nearly \$162,000. An income of more than \$185,000 would be required to afford the \$880,000 price tag on the median home sold through October 2004. Condominiums can hardly be considered an affordable alternative, with a median sales price through October 2004 of \$567,000.

With homes rarely available now for less than \$500,000, affordability is a major problem in Wellesley for teachers, municipal workers, public safety personnel, and others who do not already live in town but would like to. The highest paid municipal employee—the superintendent of schools, with a 2003 salary of nearly \$166,000—would have been able to purchase the median priced home last year (assuming a 20 percent downpayment and normal underwriting criteria), but just barely. No other public official had the income to purchase the median priced home.² Wellesley compensates its school and municipal employees comparatively well. Still, teachers, police, and fire fighters earning between \$50,000

and \$75,000 per year would likely be able to qualify for a mortgage of \$230,000 to \$350,000, well below the least expensive housing offering in town.³ Assuming an 80 percent mortgage at 2004 favorable low rates (5.5 percent), and allowing 33 percent of income for principal, interest, real estate taxes, and homeowners insurance, a homebuyer would have needed an income of nearly \$112,000—and \$120,000 in cash—to purchase the least expensive home available for sale in Wellesley in late 2004.

Housing Affordable to Households with Moderate Incomes

DEFINING AFFORDABLE HOUSING

“Affordable housing” is a term with many meanings. For government purposes, it usually means subsidized housing that is deed-restricted to remain affordable over many years to households earning below a certain income threshold, typically 80 percent of the area median income. To others, it simply means housing with modest costs in the market.

For legal purposes, the definition of housing affordability is based on three statistics: median household income, the percentage of household income spent on housing, and the median cost of housing. Under most subsidy programs, housing produced with government financial assistance is targeted to people whose household income is 80 percent or less of the median for an area. The median income level set by the U.S. Department of Housing and Urban Development [HUD] for the Boston Metropolitan Statistical Area (MSA) for FY2004 was \$82,600, and 80 percent of median for a family of four was \$66,150. Housing is considered affordable by HUD if households with incomes at or below 80 percent of the median can

¹ *The Greater Boston Housing Report Card 2003*, Bluestone, Helmrich, Heudorfer. Center for Urban and Regional Policy, Northeastern University, April 2004.

² These municipal employees, and categories of employees, are used only for illustrative purposes. Personal financial information is not available other than salaries published in the Annual Town Report. Affordability was calculated based on those incomes and standard mortgage industry guidelines.

³ Assuming only one salary per household.

obtain it while paying no more than 30 percent of their total income. An affordable home, therefore, could be one that a family of four making no more than \$66,150 a year could buy or rent with 30 percent of its income.

WHAT DOES AFFORDABLE HOUSING LOOK LIKE?

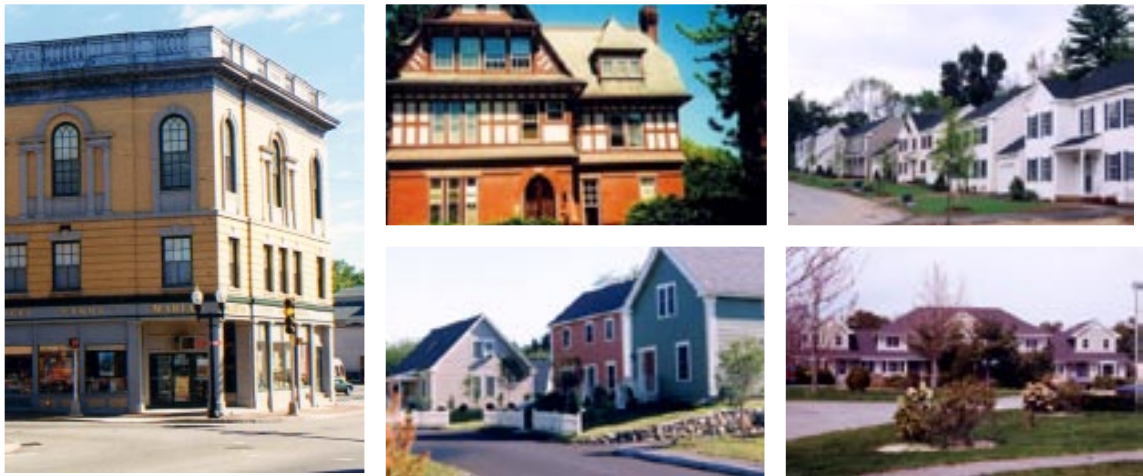
Many people have an image of affordable housing that is based on an outdated image of high-rise, urban, public housing projects built in the 1960s or 70s. In fact, affordable housing today takes many other forms, from single-family homes to garden apartments. It fits in so well with local character that people in many communities pass by affordable housing every day without realizing it. Mixed-income developments, where the affordable units are indistinguishable from the market rate units, and scattered-site affordable housing, in which affordable housing is scattered in small groupings throughout the community, are now the preferred ways of developing and siting affordable housing. In Wellesley, the greatest opportunities for affordable housing creation lie in the Town's commercial districts where mixed-use projects could be located close to the train stations and to shops.

CHAPTER 40B—THE COMPREHENSIVE PERMIT LAW

For many suburban communities, the face of affordable housing is the state's Comprehensive Permit Law (Chapter 40B). This law is intended to promote affordable housing creation by allowing developers who agree to include at least 25 percent below-market-rate units in their projects to go through a streamlined permitting process (the comprehensive permit) and override local zoning if the community does not have ten percent of its year-round housing units designated as permanently affordable. If the permit is denied by a municipality, then the developers can appeal the denial to the state's Housing Appeals Committee.

Housing units created under Chapter 40B must meet four tests in order to be counted toward the ten percent goal:

- The units must be part of a "subsidized" development built or operated by a public agency, non-profit, or limited dividend organization. They must be approved for direct state or federal subsidy: for example, through the Massachusetts Housing Finance Agency, the U.S. Department of Housing and Urban Development (HUD), the Federal Home



Affordable housing in Massachusetts cities and towns now takes many forms, from adaptive reuse of historic buildings to new construction, as shown in these examples.

Loan Bank of Boston, or the state Department of Housing and Community Development (DHCD). With the exception of the Local Initiative Program (LIP), the subsidies are financial. In the case of the LIP, towns work directly with developers but receive technical assistance from DHCD and receive standing as Chapter 40B projects. LIP projects allow towns more flexibility in making decisions about the design and site plan of a project. The state merely has to approve the affordability elements of the project: the incomes of the persons to be housed, the minimum quality of the units, fair marketing, and a maximum level of profit.

- At least 25 percent of the units must be restricted to households having incomes at or below 80 percent of the area median income. The units must have rents or sales prices that limit housing costs to no more than 30 percent of the residents' household income. For newly constructed housing, the affordability restrictions must remain in place for at least 30 years.
- The development must be subject to use restrictions and deed restrictions ensuring that the units will remain available only to people who have qualifying incomes, and these requirements must be monitored by a public agency or a non-profit organization.
- The units must be openly marketed according to fair housing laws. However, towns can establish a local preference for their own residents.

In addition, part of Chapter 40B's purpose was to create new permanently affordable housing units by adding to the overall housing inventory. One of the reasons Massachusetts housing costs have skyrocketed in the last decade is that production of new housing for almost all income levels has been lower than the demand, and temporary affordability in existing units does not increase the amount of housing in the state.

CHANGES TO CHAPTER 40B

In 2002 the state issued new regulations for Chapter 40B. These regulations provide for more rapid counting of approved units and of more types of units; more leeway for a town to deny a permit or include conditions if it has an approved affordable housing plan and has made recent progress towards the ten percent affordable units or if the project is very large in relation to the town's population; and consideration by the Housing Appeals Committee of a community's master plan or comprehensive plan and affordable housing creation efforts.

Communities may submit an affordable housing plan for approval by DHCD. An approved plan must be a "planned production" plan; that is, it must have goals, a timeline, and strategies to produce affordable housing units to reach 10 percent of the community's total housing units. If a town demonstrates that it has produced 40B-eligible units in the amount of three-fourths of one percent of total housing units (about 66 units per year for Wellesley), it can ask DHCD for certification of its plan. A certified plan permits a town to deny a comprehensive permit, or grant one with conditions, for one year (two years if it produced 1.5 percent of total housing units). The Housing Appeals Committee is also empowered to take into account a town's master plan or comprehensive plan in any decision on a developer's appeal of a denial or a conditional comprehensive permit.

Chapter 40B may also be subject to change by the legislature or through further administrative changes as a result of the 40B Task Force that met in spring 2003. The Task Force made a series of recommendations that have been incorporated into legislation, but no changes have yet been made as of this writing. Among the recommendations are:

- In 40B homeownership developments, twice the number of affordable units will be counted towards a community's ten percent goal.

- Communities can deny a 40B application if 40B units pending during the prior nine-month period equal at least two percent of total housing units or .5 percent if the community has a state-approved housing plan.
- Communities with an approved housing plan can deny a 40B application if they have permitted qualifying units equaling .5 percent of total housing units during the prior twelve months (this is a reduction from the current regulation of .75 percent).
- The agencies that provide subsidies to proposed Chapter 40B projects must take new criteria into consideration when determining project eligibility: density and size; degree of affordability; principles of sustainable development and smart growth; community impact and consistency with housing need; impact on historical resources; and the impact of other pending applications for housing development.
- The Legislature and the Governor should establish a new "growth aid" fund to provide financial assistance to communities commensurate with the costs of housing growth.

PLANNING FOR AFFORDABLE HOUSING IN WELLESLEY

The high cost of housing in Wellesley and its effect on community diversity has been noticeable for a number of years. During the post-World War II boom in suburban housing, new neighborhoods in Wellesley were constructed for affluent families, and by the 1960s Wellesley was already becoming too expensive for most first time homebuyers. The real estate boom of the 1980s consolidated the escalation of Wellesley housing prices and in 1989 Town Meeting adopted an Affordable Housing Policy. This policy was amended in 1997 and now takes the following form:

Wellesley is an outstandingly attractive residential community, enriched by the diversity of its residents. Wellesley seeks to maintain and enhance its present character by preserving a

mix of housing stock that includes low income, moderate income, and market rate housing. In establishing this Affordable Housing Policy, Wellesley seeks to control its own growth and development.

Affordable Housing is housing which, under the guidelines and regulations promulgated by Massachusetts General Laws, Chapter 40B, is defined as low- or moderate-income housing, or housing which may otherwise be determined by vote of Wellesley Town Meeting to be affordable housing.

Criteria for the Development of Affordable Housing:

1. The predominantly single-family residential character of Wellesley shall be preserved.
2. Urban-scale projects are to be avoided.
3. Preferences shall be given to projects where 100 percent of the units satisfy Town housing goals; however, the Town recognized the potential necessity of including mixed-income housing in order to ensure a development's overall economic viability.
4. Any affordable housing shall, to the maximum extent possible, remain affordable in perpetuity.
5. Insofar as it is legal, Wellesley residents shall be given priority in the marketing of affordable housing units.
 - a. Preservation of open space and protection of natural resources shall be important considerations in the Town's land use planning.
 - b. Development of affordable housing should not overburden existing utility systems or other public facilities that serve the Town, including services, streets, the public water supply and sewers, to a greater extent than would any other development.
 - c. Wellesley's Fair Housing Policy shall be respected.

The 1994 Comprehensive Plan devoted substantial space to affordable housing, focusing particularly on opportunities to create elderly housing. The Plan called for the Town to diversify its affordable housing supply (then at 396 units, or 4.54 percent of the year round housing stock) by 375 units over a 5-10 year period, by adding the following:

- Family units—half to be subsidized :
 - 131 family apartments or small scale condominiums (3 and 4 bedroom) for young families, 100 rental and 31 homeownership
 - 44 family apartments or small-scale condominiums specifically targeted to single parents, 39 rental and 5 homeownership
- Elderly units—three-quarters to be subsidized:
 - 200 rental units in a range of type (independent and assisted living) for seniors/elderly (age 65 and over).

In the fifteen years since Wellesley Town Meeting first adopted its affordable housing policy, numerous Town-appointed and volunteer committees have attempted to expand and diversify the Town's supply of affordable housing, but their efforts have met with limited success. Only seven units have been added since 1994: three ownership units in a recently completed 12-unit town house developed under the comprehensive permit provisions of M.G.L. Chapter 40B and an existing four-unit group home.⁴

In 2005, Town Meeting voted to extend inclusionary zoning to Wellesley's subdivisions. Formerly, the inclusionary zoning only applied to housing in the business district. Although Wellesley has few subdivisions—and those that do exist are very small—this measure will ensure the creation of some new affordable units if any larger parcels of land were to be sold and devel-

oped. Some affordable housing proposals have been stymied by a lack of funding, but for the most part, the Town has not participated in those programs where funding has been available, such as state and federally funded homebuyer assistance and home repair programs.

New resources have been identified for affordable housing in Wellesley with the creation of the Housing Development Corporation, and adoption of the Community Preservation Act. In 1998, the Town established the Wellesley Housing Development Corporation whose mission is “to sponsor and assist in the development of affordable housing opportunities for persons of low and moderate income in the Town of Wellesley, Massachusetts in order to implement the Town's Affordable Housing Policy.” With Town adoption of the Community Preservation Act (CPA) in 2003, Wellesley gained a dedicated revenue source for affordable housing creation because a minimum of ten percent of the funds collected under the CPA must be applied to affordable housing. In its first report to the Town, the Community Preservation Committee (CPC) articulated a set of goals for its affordable housing (which the CPC calls “community housing”) funding program:

- Create new and preserve existing community housing that is consistent with the Town's affordable housing policy adopted under Article 31 of the 1989 Annual Town Meeting and modified under Article 4 of the 1997 Annual Town Meeting.
- Create new and preserve existing community housing that is well designed and maintained, is of high quality and based on sound planning principles.
- Disperse community housing throughout the town by siting new community housing

⁴ Due to a change in regulations, communities are now able to count group homes for special needs populations (e.g., psychologically or cognitively disabled clients of the state's Departments of Mental Health or Mental Retardation).

in neighborhoods that currently have little or no affordable housing.

- Provide and preserve community housing that promotes age and income diversity.
- Ensure the long-term affordability of community housing, and in perpetuity wherever possible.
- Create new and preserve existing community housing that will contribute to the state's mandated target of having ten percent of the Town's housing stock affordable to households with incomes at or below 80 percent of the Boston area's median income.
- Provide a mix of low-income, moderate-income, and market-rate housing.
- Provide community housing opportunities that give priority to local residents, Town employees, and families of students enrolled in the Town's public schools.
- Reuse existing buildings or use previously developed or Town-owned sites for new community housing.
- Acquire and convert market-rate housing into community housing.

EXISTING AFFORDABLE HOUSING

Currently, 4.7 percent of Wellesley's year-round housing stock (416 units) is certified for inclusion on the state's list of subsidized housing according to the inventory dated January 19, 2005. The Wellesley Housing Authority owns and manages 235 units of housing, 102 of which are for families in two developments and 133 units for elderly and disabled persons. One of the family developments was modernized several years ago.⁵ The town also has 125 units of privately-owned, publicly subsidized elderly housing, making a total of 258 subsidized units available for elderly/disabled persons. In addition, Wellesley has a four-unit group home leased by the Department of

Mental Retardation and the Hastings Village development adds 52 units.

Additional units have been and will be added to Wellesley's inventory. The state mistakenly omitted 36 existing rental units at Ardmore, a privately-owned and publicly-subsidized development. The town houses at Edgemore Circle also contribute three new permanently affordable ownership units. This increased the Town's total to 455 units, or 5.2 percent of its year-round housing inventory. In addition, a 32-unit age-restricted development with eight affordable units has been proposed. If approved, this development would boost the total to 5.3 percent (463 units). The Wellesley Inn project will also add six affordable units: two on site in the Grove Street cottage, a two-family home to be built on a Town-owned lot on Boulevard Road, and two located elsewhere in town on a site or sites approved by the Wellesley Housing Development Corporation.

The Wellesley Housing Development Corporation has issued a Request for Proposals for creation of three market-rate and one affordable condominium unit in the Walnut Street Fire Station building. In addition, the Town's Community Preservation Committee and Town Meeting voted in spring 2004 to transfer \$200,000 to the Housing Development Corporation for the buy-down of an existing home or condo or the construction of one unit of affordable housing.

THE NEED FOR AFFORDABLE HOUSING IN WELLESLEY

Although Wellesley is one of the wealthiest communities in the state, 18 percent of the Town's households are considered extremely low, very low, or low income by federal Department of Housing and Urban Development definitions

⁵ Elderly/disabled properties: 41 River Street (26 units); 315 Weston Road (31 units); 48-513 Washington Street (76 units). Family housing properties: Barton Road (89 units); 50 Linden Street (12 units).

and three percent live below the federal poverty level.⁶ The income of renter households is just 45 percent of what it is for owner occupants, roughly \$56,923 compared to \$127,130 in 1999.⁷ More than 600 low-income homeowners and more than 200 low income renters experience housing problems, mostly affordability problems. The affordability challenge affects all age groups. Fifty-five percent of the low-income, cost-burdened renters are under the age of 65, as are 47 percent of the cost-burdened homeowners. In addition to those already facing cost burdens, more than 100 additional households are deemed at risk of becoming cost burdened because of low incomes.

High housing costs have made housing affordability an issue even for middle- and upper-income households. Five percent of the middle- and upper-income renters and 15 percent of the middle- and upper-income homeowners in Wellesley also face cost burdens. The increases in property taxes and homeowners insurance that have accompanied the rapid rise in home values account for much of the increasing burden for those with little or no mortgage outstanding on their property. The average single-family tax bill increased by more than 55 percent in Wellesley between 1998 and 2004.

Notwithstanding near record-low mortgage interest rates, home prices increasingly outstrip income gains. In 1998, Wellesley's median household income was sufficient to purchase a home priced at 94 percent of what the typical (median priced) single-family home that year sold for. By 2003, the median family income would have covered only 78 percent of the median price. (In other words, the median home price in 2003 would have to have been

priced \$158,000 less than it was to be affordable to an existing Wellesley family earning the median household income, which was estimated to be \$128,000 in 2003.)

CREATING AFFORDABLE HOUSING IN WELLESLEY

Appendix A to this Comprehensive Plan contains a framework for a planned production approach to affordable housing. If the Town wishes to take an aggressive approach to meeting the state's ten percent goals for affordable housing, planned production could help Wellesley avoid future unwanted Chapter 40B projects—assuming the Town is able to meet the yearly targets for affordable housing creation. This would be an ambitious goal and require strong support to identify potential sites and attract developers.

C. RECOMMENDATIONS

1. Residential Character: Manage Development of New Large Houses in Old Neighborhoods

In both the survey and the public meetings for this Plan, Wellesley residents expressed a strong desire that the Town do something about the impact of new or expanded houses that are out of character with the surrounding neighborhood. Many communities in the greater Boston region have been wrestling with the issue of “mansionization” since the mid-1990s. This is when housing prices began to skyrocket and the value of land in desirable, close-in communities with little open land for development began to exceed the value of the small, older houses that had been built on the land.

⁶ Current HUD income classifications are as follows: extremely low income—household income 30 percent or less of the HUD area median family income; very low income—household income greater than 30 percent but not more than 50 percent of area median family income; low income—household income greater than 50 percent but not more than 80 percent of area median family income; and moderate income—household income greater than 80 percent but not more than 95 percent of area median family income.

⁷ Recent estimates suggest that renter incomes have increased by only 9 percent and homeowner incomes by just 12.5 percent since that time. (*The Greater Boston Housing Report Card*, 2003, Bluestone et al.)

Single-family houses are typically subject to minimum requirements for lot frontage and building setbacks from the lot boundary and often to maximum heights or numbers of stories. In some cases, communities have imposed a maximum percentage of the lot that can be covered by buildings (sometimes including other impervious surfaces such as driveways). Cities and a few larger towns have established Floor Area Ratio (FAR) maximums for residences. Massachusetts prohibits zoning ordinances from regulating the interior area of a single-family building (M.G.L. Chapter 40A, sec. 3). This law was originally intended as an “anti-snob” law that would keep towns from setting a high minimum floor area. (An attempt to change the law to allow towns to establish a maximum floor area has not passed the legislature.) Because of this state law, most communities have focused on dimensional changes in their approach to the “mansionization” question.

PREVIOUS ATTEMPTS TO MANAGE “MANSIONIZATION” IN WELLESLEY

Wellesley was one of the first communities to attempt to constrain the size, bulk, and siting of new residential construction by amending the Zoning Bylaw in 1996. By establishing maximum lot coverage percentages for all single-family residential lots, reducing the maximum height to three stories (or 36 feet from 45 feet), and establishing wider frontage and setback regulations for new lots created after January 16, 1997, the Town reduced the number of larger lots that could be subdivided and limited the maximum size of new houses that could be built.

The new regulations did not affect certain siting and design choices, such as “sideways” houses sited with the front door to the side, “snout” houses with prominent garage doors facing the street, and side garages built up to the setback line. Setback regulations for existing lots remained unchanged and despite the

tightening of dimensional constraints, it was still possible to build large replacement houses that many people find to be out of character with neighboring houses.

In 2002, the Wellesley Planning Board proposed a series of additional zoning amendments designed to constrain the impact of large home redevelopment in existing neighborhoods:

- Restrictions on the height of roof soffits and the effect of dormers
- Reduction in the allowed maximum building coverage
- Requirement for a landscape plan for houses with a footprint of 3,000 square feet or more
- Restrictions on placement of HVAC and similar equipment in setbacks as well as visual and acoustical screening if required by the building inspector
- Requirement for a 30-foot minimum setback for garages when the entrance faces the side lot line.

With the exception of the last two, these zoning amendments did not pass. There are a number of considerations that typically result in the defeat of these kinds of initiatives. First, while people often wish they could regulate more closely the activities of other property owners, they think twice because the regulations will also have an impact on their own property. Second, many people do not believe that changing dimensional or site requirements will change the fact that the impact of some new houses on neighborhood character is often really a matter of design rather than simply bulk or size. Attempts to constrain the size of large homes in other communities have also proven to have limited effect or have gone down to defeat. In 1997, Newton reduced the height of single-family and two-family houses from 36 to 30 feet and defined height in such a way to encourage sloped roofs. Newton also introduced the concept of Floor Area Ratio (FAR) to apply to new single-family and two-family houses or additions that require demolition of 50 percent or more of the structure. One of the

main objectives of these changes was to slow the demolition of single-family homes for construction of newer, bulkier duplexes. In 2004, Newton once again considered zoning amendments to address the aesthetic and neighborhood character impacts of “snout houses” and large replacement houses, discussing combining design review and additional FAR restrictions. The Town of Lexington studied this matter for several years in great detail and its Planning Board proposed a site plan review process for large homes according to a set of graduated lot and size thresholds; Town Meeting, however, declined to approve this proposal.

There are four ways to approach the impacts of new large homes in existing neighborhoods:

- **Adjustments to dimensional constraints.** This is the most common way to address the problem and is the easiest to apply. However, even when communities are willing to reduce heights, setbacks, lot coverage, and other easily-measured elements of a building project, residents want to preserve flexibility for their own potential additions. New construction that meets all the zoning requirements still may seem incompatible with neighborhood character to some residents.
- **Site plan review of proposed new construction or additions that meet certain threshold requirements.** Site plan review does not prohibit the construction of large homes that meet certain criteria, but simply brings discussion of new large homes and additions into the public forum of a Planning Board hearing so that impacts on abutting properties and the neighborhood can be understood and mitigated.
- **Historic or neighborhood commission review.** Demolition and exterior changes to houses in local historic districts are subject to review by the Historic District Commission and changes require a Certificate of Appropriateness (COA). The Cottage Street Historic District is Wellesley's only local historic district. A less-stringent form of neighborhood charac-

ter review can be implemented by creating Neighborhood Conservation Districts. These geographically-defined districts typically have an identifiable architectural character that can be documented. When the conservation district is established, decisions are made on what kinds of exterior changes will be subject to mandatory or advisory review.

- **Design guidelines for voluntary application.** Single-family neighborhoods are generally not subject to the authority of design review committees, which focus on commercial and mixed-use projects. However, design guidelines that explain the valued elements of neighborhood character to potential builders and new residents can be useful in communicating a desired approach to creating new or substantially altered houses. In many cases, concerns expressed about the size and bulk of new large houses are really design issues that cannot be effectively addressed simply by changing dimensional requirements in the zoning. Voluntary design guidelines, which could be made available in a number of ways, including through realtors, will encourage designers and builders to look beyond the building lot in order to fit into the neighborhood while meeting the needs of their clients.

MORE DIMENSIONAL CHANGES FOR WELLESLEY NOT RECOMMENDED

Although Town Meeting passed dimensional changes in 1997 that reduced lot coverage and height for all single-family districts and expanded frontage and setback requirements for newly created lots, in 2002 Town Meeting was not persuaded to establish additional restrictions except for those that affected side garages and placement of HVAC units. It is possible that a combination of more complex zoning rules, including establishing FAR limits for residential areas and setbacks calculated to be proportional to the height of the new construction, could be more effective in regulating the size of new

houses relative to their neighborhood environment. However, more complicated rules would make it harder for homeowners to understand how the proposed changes would affect their own properties and their ability to build additions without getting variances, and the additional complexity would encourage many to oppose such new regulations. It is also the case that although size and location on the lot is part of the problem, sometimes what people really do not like about a particular new house is its design. Dimensional requirements alone do not have significant impact on design.

Below are recommended options for Wellesley to consider as new ways to approach the problem of incorporating replacement houses more harmoniously into existing neighborhoods.

Recommended Option 1: Site Plan Review for Large Houses

The Town of Weston devised a site plan review process that allowed the Town to shape and influence the way that large houses affect their neighbors. The salient elements of the Weston bylaw include:

- **Definition of “Residential Gross Floor Area” (RGFA):** “The sum of the horizontal area(s) of the above-grade floors in the residential building(s) on a lot, excluding unfinished attics but including attached or detached garages. The RGFA shall be measured from the exterior face of the exterior walls.” Including garages in the RGFA is important because large houses often have multiple garages whose location is very important in the relationship of the building to its neighbors.
- **Threshold for single-family home site plan review:** “The Residential Gross Floor Area ‘RGFA’ of any new or replacement single-family dwelling use constructed pursuant to a building permit issued on or after October

29, 1998, may not exceed the greater of 3,500 s.f. or 10 percent of the lot area up to a maximum of 6,000 s.f.”

- **Definition of “Replacement Single-family Dwelling”:** In order to include very large houses that result from substantial renovation and addition under the site plan review, the bylaw includes a definition: “The supplanting of all or a portion of a demolished or substantially demolished single-family dwelling with a substitute single-family dwelling in the same or in a different location on the lot.”

ACTIONS FOR WELLESLEY:

Define “demolition” or “replacement house” to cover substantial additions.

Many large homes that cause concern result from construction that is technically an addition or alteration but is so extensive that the original house is no longer recognizable. The Weston bylaw is intended to include these cases under the definition of “demolition” but does not define what “substantially demolished” means. Wellesley should resolve this problem by creating a definition for demolition that includes criteria such as removal of 50 percent of the building or removal of the roof.

Define “Residential Gross Floor Area” or a similar concept to include garages.

The assessor currently measures Total Living Area, which does not include garage space. Because large houses have multiple garages with significant functional and visual impact, they should be included in measurements that make up the threshold number for the applicability of Large House Site Plan Review.

Establish Large House Site Plan Review for replacement houses three or more times the size of the houses they replace.

Wellesley can establish a new category under Section XVIA in the Zoning Bylaw: Large

Replacement House Projects. Site plan review can then be made applicable to large replacement houses that meet certain threshold criteria. The analysis of demolitions and replacement houses during the 1999–2003 period demonstrated that, on average, Wellesley replacement houses are 2.5 to three times the size in total living area of the houses they replaced. All new construction resulting in a house three times larger than the original structure should be made subject to Large House Site Plan Review. This concept should be tested for the inclusion of garages to see if the proposed multiplier of 3 is sufficient if garages are also included. (The multiplier that should be used as the threshold for this review process may be refined by further study.)

This new site plan review category cannot easily be subsumed under one of the existing categories: Major Construction Project, which requires design review and comment from numerous Town boards and agencies; Minor Construction Project, which requires only Design Review; and Project of Significant Impact, which requires a Special Use Permit in addition to Site Plan Review and Design Review. The review process for large replacement houses should be as streamlined as possible and include requirements similar to the plans required for subdivision approval that show existing conditions and proposed changes for items such as grading, drainage, preservation of vegetation, driveways and other impervious surfaces, and so on. Formal design review by the Design Review Committee would not be appropriate, but attention to design impacts of the new construction should be part of the process. In this case, the emphasis should not be on style but on how the new structure relates to public spaces and surrounding buildings.

One approach would be to create a performance standard checklist that the project proponent would have to respond to in the written application and at a public hearing. This would pro-

vide the project proponent with early notice of the issues that are of concern to the Planning Board. The proponent would then be encouraged to seek design solutions that will meet the performance standards.

In addition, the Planning Board may want consultant advice in reviewing these projects. A fee could be assessed to pay for this assistance. Design performance standards for Large Home Site Plan Review would be easier to develop if the neighborhood character studies suggested in the next recommendation were to be carried out.

Recommended Option 2: Define, Promote, and/or Protect Neighborhood Identity and Character

Many people in Wellesley talk about neighborhood character and they have a general sense of what they mean by that term, but, except for the Cottage Street Historic District, the standards that define Wellesley neighborhoods have not been analyzed.

ACTIONS FOR WELLESLEY:

Explore the potential for additional Local Historic Districts, a Historic Landmarks Bylaw, and Historic Easements.

Other than the Cottage Street area, Wellesley does not have a local historic district or any other means of protecting the exterior integrity of historic buildings that have exceptional historic value to the community. A Historic Landmarks Bylaw offers the opportunity to identify individual buildings and sites for this protection. The Bylaw requires permission of the property owner before designation as a historic landmark and the Historic District Commission must approve specified types of exterior changes that would permanently alter its historic character. (Typically, this kind of regulation does not include temporary changes such as paint colors.) Although some property owners are reluctant to be subject to this kind of regulation, historic

landmark status usually makes the property more valuable and, for business properties, it can be a distinguishing characteristic for a business.

Historic preservation easements are voluntary agreements between property owners and a historic preservation organization recognized by the I.R.S. The easement restricts specified kinds of changes to the property and the donor conveys certain rights over the property to the easement-holding organization, which then has the legal authority to enforce the terms of the easement. The easement can cover changes to the exterior or interior of a building, the façade, additional building, etc., and is tailored to each situation. In return for donating the easement, the donor gets a tax deduction.



Commission a series of neighborhood studies to analyze and define neighborhood character and create voluntary guidelines for additions and new construction.

A series of studies done in collaboration with neighborhood residents would identify the physical characteristics of each neighborhood. The results of these studies might vary according to the purpose and the neighborhood. They would inform the design performance standards used

by the Planning Board in Large

Home Site Plan Review. Where a distinctive historic or architectural identity was documented for a particular neighborhood or sub-area, the Historical Commission might pursue creation of a local historic district or residents might begin organizing a Neighborhood Conservation District. In other cases, the results could be provided simply to guide and inform new construction in the neighborhood.

An example of effective voluntary efforts is the workbook created by Community First, a citizens' group in Naperville, IL, a Chicago suburb. Like Wellesley, Naperville is seeing \$150,000 tear-downs being turned into \$1.5 million houses. Community First was founded as an educational nonprofit by builders, architects, and citizens and is supported by both the City of Naperville and the Chamber of Commerce. The group prepared an award-winning booklet with simple illustrations that takes builders, property owners, designers, and citizens through the process of understanding the character of a particular neighborhood and street, with special attention to what constitutes more or less harmonious relationships among houses, relationships to the street, and so on. The workbook also provides advice on ways to design additions and renovations to provide the desired space without impinging on the character of the street and neighborhood.

Despite the fact that compliance is entirely voluntary, the booklet has had a significant impact. The City hands out the workbook at all pre-demolition meetings with builders and owners. Community First has influenced some 250 projects in the four years it has been in existence and has begun holding workshops for builders and city staff. The City also collaborates with Community First on an annual design award, with city residents voting on the finalists. The booklet is also being used by other Chicago-area towns.

Explore authorizing the establishment of Neighborhood Conservation Districts.

Neighborhood Conservation Districts provide a mechanism for differing levels of review—from purely advisory to regulatory—for demolition and exterior changes to buildings within a defined area that has recognized design character. The area does not have to meet the criteria for historic districts and can be more eclectic than a historic district. Typically, Conservation Districts result from a study of the area showing an iden-

tifiable design character (not simply that most houses are approximately the same size), and they define which kinds of changes will be subject to advisory review or to mandatory review (if any). Neighborhood Conservation Districts can be administered by a Historical Commission, Planning Board, Historic District Commission, or a special Neighborhood Conservation District.

Although Neighborhood Conservation Districts (NCD) exist in a number of states, the only Massachusetts community that has them is Cambridge. There, each NCD is unique, with its own local commission and differing levels of project review, but they are under the administrative authority of the Historical Commission. NCDs are formed when ten registered voters petition the Historical Commission to create an NCD. If the Commission votes favorably on the petition, a year-long study period begins in which a committee appointed by the City Manager and staffed by the Historical Commission works with neighborhood residents to define a boundary and the regulatory issues. The committee then forwards its report to the Historical Commission, which holds a public hearing, and if the Commission finds the area meets criteria for an NCD, it send the report with a positive recommendation to the City Council for a vote. Cambridge NCDs range in size from as many as 2,000 buildings to as few as 70.

In Wellesley, this system could be adapted to allow citizens to petition the Planning Board or the Historical Commission, which could then appoint a committee to do the neighborhood study. An NCD study could take the place of the neighborhood character studies discussed above. NCDs would not be appropriate for every neighborhood but could serve as a way to protect the design integrity of certain areas without resort to a local historic district. One of their greatest benefits is that they require residents to take the initiative and to persuade their neighbors that an NCD is a good idea.

Explore elements of form-based zoning to conserve neighborhood character.

Innovative approaches to development regulation, known as form-based zoning, identify characteristics of the physical form, as identified by the community, as the key to producing a better built environment. Form-based codes set careful and clear controls on building form in order to shape good streets and neighborhoods that respond to the community's vision. These new regulations support mixed-use neighborhoods with a range of housing types by focusing more on the size, form, and placement of buildings and parking, and less on separation of land uses (residential vs. commercial) and density (housing units per acre). Some dimensional regulations remain, such as minimum and maximum heights of buildings, but land owners, developers, or building owners have more flexibility to meet changing real estate markets by building single-family homes, apartments, offices, or retail based on market demand, as long as the building form conforms to the community's vision as expressed in the form-based codes.

This idea could be transferred to the Wellesley neighborhood context by the creation of standards for placement of new buildings in relation to the prevailing siting along a street or similar kinds of standards that still allow for renovation of the housing stock but—by constraining extreme changes—make the transformation of street character more gradual.

2. Diversify Housing Stock and Increase Affordable Housing

Wellesley will continue to be a community where most housing units are single-family houses. The neighborhoods are near buildout and redevelopment is typically for larger single-family houses. At



the same time, Wellesley offers few alternatives to empty nesters who might want to sell their large homes yet still stay in town, or to Town employees or young people who want to stay in the town where they grew up.

Town houses, condominiums, and apartments have become entry-level housing in many communities, but real estate prices are so high in Wellesley that market rate units of these types are priced for the luxury market—not for the first time homebuyer. In order to meet the needs of a segment of the Town's population and various groups connected to the Town and its residents, as well as to meet the state goal of ten percent affordable housing, Wellesley will have to take an aggressive role in promoting affordable housing production.

Focus efforts to create more diverse housing types and affordable housing by attracting rental developments to identified sites in Wellesley.

In order to create sufficient numbers of affordable units to meet the state ten percent affordable housing goal and to create more diversity of housing in Wellesley, the Town must work to bring rental developments with a substantial number of units to the few identified sites where most residents agree this kind of housing would complement local character. These sites are the Tailby Lot, the Linden Street commercial district, the St. James's Church site, 27 Washington Street (the Grossman's site) and, potentially, other commercial districts.

Seek technical assistance from non-profit groups and explore relationships with non-profit developers and funding sources.

Wellesley does not have to reinvent the wheel in order to create and implement a robust affordable housing strategy. There are many organizations, such as the Massachusetts Housing Partnership (MHP) and Citizens Housing and Planning Association (CHAPA) that offer

resources and technical assistance. MHP has assisted many communities in creating effective Housing Partnerships and creating affordable housing that is compatible with community character. It also can provide pre-development funding, technical assistance, bridge financing, and assistance to communities in working on Chapter 40B proposals. In addition, the Housing Partnership should reach out to regional non-profit housing groups, religious congregations, and others that may be interested in supporting affordable housing creation, including through possibilities such as land donations.

Consider joining a regional HOME consortium for access to home rehabilitation funding.

Federal funds for rehabilitation of homes owned by low-income persons (known as HOME funds) are available through regional consortia of communities. Many communities use HOME funds for home repair and rehabilitation programs for seniors and others with low incomes. (There is no asset test, so the equity in their homes will not prevent them from qualifying.) The rehabilitation program puts an affordability restriction on the home for 15 years, but if the occupant stays in the home for that period, the rehabilitation funds do not have to be repaid. If the occupant leaves the home before the end of 15 years, the funds must be repaid on a sliding scale over time. During the 15 years that the affordability restrictions are in force on the housing unit, it counts towards the 40B inventory for the municipality.



Inventory and study the feasibility of using additional Town-owned parcels and buildings for affordable housing.

The high cost of land is one of the greatest barriers to affordable housing production. If the Town can contribute or donate land to a project, it makes affordable housing creation, as well as moderately priced market housing creation, much easier. The Town is already following this route in the Walnut Street Fire Station project. An inventory of all Town properties, including tax title properties, may uncover other opportunities. All Town-owned sites, both large and small, should be evaluated for their potential. The Town could combine affordable housing creation with other Town needs.

Explore the possibility of a "friendly 40B" or Local Initiative Program project on Town-owned property or private property.

The Department of Housing and Community Development's Local Initiative Program (LIP) provides technical assistance to local communities that produce affordable units and counts them towards the Chapter 40B inventory, while allowing a greater degree of flexibility than is available for projects with direct financial subsidies.

Modify zoning bylaws to encourage housing diversity in type and in cost.

In order to be successful in diversifying the type and cost of housing in Wellesley, the Town must provide zoning that facilitates development of this kind of housing by avoiding special permit processes and providing incentives where necessary. With by-right zoning, the Town will continue to have oversight in design and function through the site plan review process.

- **Amend zoning to promote affordable accessory units.** Affordable accessory units can be an excellent way to create affordable housing without significant change to neighborhood

or community character. Although the Town is unlikely to gain large numbers of affordable units through accessory units, these units can be valuable on the margin. Wellesley should allow permanently affordable accessory units to be created by right and allow all accessory units to be open to non-relatives. Templates for affordability agreements and simple monitoring protocols have already been established in several Massachusetts communities. The Wellesley Housing Authority can assist with these issues.

- **Allow by-right small-scale affordable single-family homes and duplexes with one affordable unit on substandard, non-conforming lots, subject to site plan review.** Parcels that lack required size or frontage could be made legal lots for building affordable units or duplexes in which one unit is affordable. Housing of modest size can provide scattered-site affordable units that fit easily into neighborhoods.

Offer amnesty for illegal apartments in exchange for making them affordable units.

Converting existing illegal accessory units or apartments will not change the *de facto* number of housing units or residents, but will add to the number of affordable units. In some cases, conversion of these units might require the owners to bring the units up to code. Owners may be able to qualify through regional housing programs for assistance in code improvements if the apartments will become subject to affordability agreements.

Adopt the state law on tax title properties that provides for forgiveness of taxes owed if the properties are to be developed for affordable housing.

Municipalities can adopt a state law that allows them to forgive taxes owed on tax title prop-

erties if a new owner will develop affordable housing. Although there may not be many opportunities of this type in Wellesley, it is worthwhile to have this tool should an opportunity arise.